

# HOUSE BILL No. 1163

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 4-30-17-3.5; IC 20-12-76.

**Synopsis:** Higher education scholarship program. Establishes the higher education scholarship program to provide a \$250 per semester or \$2,000 lifetime scholarship for undergraduate study to individuals who: (1) are Indiana residents for at least two years; and (2) attend Indiana institutions of higher education, including proprietary institutions, for at least 12 hours per semester. Requires the transfer of funds from the build Indiana fund to pay for the scholarships. Requires the state student assistance commission to administer the program.

**Effective:** July 1, 2005.

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January 6, 2005, read first time and referred to Committee on Education.

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Introduced

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

## HOUSE BILL No. 1163

A BILL FOR AN ACT to amend the Indiana Code concerning education and to make an appropriation.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 4-30-17-3.5 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3.5. (a) Before the  
3 twenty-fifth day of the month, the auditor of state shall transfer from  
4 the build Indiana fund to the state general fund motor vehicle excise tax  
5 replacement account nineteen million six hundred eighty-four thousand  
6 three hundred seventy dollars (\$19,684,370) per month.  
7 (b) This subsection applies only if insufficient money is available in  
8 the build Indiana fund to make the distributions to the state general  
9 fund motor vehicle excise tax replacement account that are required  
10 under subsection (a). Before the twenty-fifth day of each month, the  
11 auditor of state shall transfer from the state general fund to the state  
12 general fund motor vehicle excise tax replacement account the  
13 difference between:  
14 (1) the amount that subsection (a) requires the auditor of state to  
15 distribute from the build Indiana fund to the state general fund  
16 motor vehicle excise tax replacement account; and  
17 (2) the amount that is available for distribution from the build

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Indiana fund to the state general fund motor vehicle excise tax replacement account.

The transfers required under this subsection are annually appropriated from the state general fund.

**(c) Before the last business day of January, April, July, and October of each year, the auditor of state shall transfer from the build Indiana fund to the state general fund an amount equal to the total dollar amount of scholarships awarded under the higher education scholarship program under IC 20-12-76 during the preceding three (3) months.**

SECTION 2. IC 20-12-76 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

**Chapter 76. Higher Education Scholarship Program**

**Sec. 1. As used in this chapter, "commission" refers to the state student assistance commission established by IC 20-12-21-4.**

**Sec. 2. As used in this chapter, "educational costs" has the meaning set forth in IC 20-12-21-3(7).**

**Sec. 3. As used in this chapter, "eligible individual" means an individual whom the commission identifies as meeting the criteria to receive a scholarship under this chapter.**

**Sec. 4. As used in this chapter, "institution" refers to either of the following:**

**(1) An approved institution of higher learning (as defined in IC 20-12-22.1-3).**

**(2) A postsecondary proprietary educational institution (as defined in IC 20-1-19-1) that:**

**(A) is incorporated in Indiana or registered as a foreign corporation doing business in Indiana;**

**(B) is fully accredited by and in good standing with:**

**(i) the Indiana commission on proprietary education established by IC 20-1-19-2; and**

**(ii) a regional or national accrediting agency; and**

**(C) offers a course of study that:**

**(i) lasts at least eighteen (18) consecutive months (or the equivalent as determined by the Indiana commission on proprietary education); and**

**(ii) leads to an associate or a baccalaureate degree recognized by the Indiana commission on proprietary education.**

**Sec. 5. As used in this chapter, "program" refers to the higher education scholarship program established by section 6 of this**

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1 chapter.

2 Sec. 6. The higher education scholarship program is established.

3 Sec. 7. An eligible individual is entitled to a scholarship under  
4 the program for educational costs for undergraduate study for  
5 four (4) academic years (or the equivalent as determined by the  
6 commission) at an institution.

7 Sec. 8. The commission shall do the following:

8 (1) Determine eligibility, policy issues, and definitions for the  
9 program.

10 (2) Identify eligible individuals.

11 (3) Administer the program.

12 (4) Adopt rules under IC 4-22-2 to administer the program.

13 Sec. 9. (a) The commission shall establish criteria for eligibility  
14 under the program. The criteria must include the following:

15 (1) For an initial scholarship, both of the following:

16 (A) Indiana residency for at least two (2) consecutive years  
17 immediately before beginning a course of study at an  
18 institution for which a scholarship is requested.

19 (B) Application for enrollment at an institution for at least  
20 twelve (12) credit hours per semester (or the equivalent as  
21 determined by the commission).

22 (2) For a renewal scholarship, all the following:

23 (A) Indiana residency for at least two (2) consecutive years  
24 immediately before beginning a course of study at an  
25 institution for which a renewal scholarship is requested.

26 (B) Enrollment at an institution for at least twelve (12)  
27 credit hours per semester (or the equivalent as determined  
28 by the commission).

29 (C) Maintenance of a grade average of at least a "C" or its  
30 numeric equivalent.

31 (b) The commission may not require an eligible individual to  
32 enroll in an institution in consecutive semesters or academic years  
33 in order to be eligible for a scholarship.

34 Sec. 10. (a) The amount of a scholarship under this chapter is  
35 two hundred fifty dollars (\$250) for each semester that an eligible  
36 individual is enrolled in an institution for at least twelve (12) credit  
37 hours (or the equivalent as determined by the commission).

38 (b) The total amount of scholarships awarded to an eligible  
39 individual under this chapter may not exceed two thousand dollars  
40 (\$2,000).

41 Sec. 11. (a) An institution that accepts an eligible individual for  
42 enrollment shall give written notice of acceptance to the

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1 commission. The institution is entitled to the payment of the value  
2 of the scholarship for credit only against the eligible individual's  
3 obligation for educational costs.

4 (b) The institution shall provide facilities and instruction to a  
5 student who receives a scholarship under this chapter on the same  
6 terms as other students.

7 (c) If, during an academic period, a student enrolled in an  
8 institution with a scholarship issued under this chapter ceases for  
9 any reason to be a student in good standing, the institution shall  
10 promptly give written notice to the commission regarding the  
11 student's change of status and the reason for the change. If, under  
12 the institution's standards, a fee or charge that has been paid as  
13 part of a scholarship under this chapter would otherwise be  
14 remissible by the institution to the student, the institution shall  
15 remit the fee or charge, up to the amount of the scholarship, to the  
16 auditor of state.

17 Sec. 12. A student who receives a renewal scholarship may  
18 reenroll in the institution that the student attended while receiving  
19 a scholarship under the program or enroll in another institution.  
20 In either event, the institution in which the student is enrolled:

- 21 (1) shall notify the commission of the student's enrollment;
- 22 (2) is entitled to payment of the value of the student's
- 23 scholarship; and
- 24 (3) has the same obligations as for first year awards.

25 Sec. 13. The commission shall administer the records of each  
26 student who attends an institution with a scholarship issued under  
27 this chapter.

28 Sec. 14. (a) Each institution in which an eligible individual  
29 enrolls shall certify the following to the commission:

- 30 (1) The eligible individual's eligibility.
- 31 (2) The amount of the tuition and necessary fees charged to
- 32 the eligible individual.
- 33 (3) The amount of the scholarships under this chapter
- 34 previously awarded to the eligible individual.
- 35 (4) The amount of the scholarship for the ensuing semester (or
- 36 a semester's equivalent as determined by the commission) for
- 37 the eligible individual.

38 (b) Each institution shall submit the certification required under  
39 subsection (a) before the date on which payment for tuition and  
40 necessary fees is due under the rules of the institution applicable to  
41 students generally.

42 (c) Not later than thirty (30) days after receiving the

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- 1 certification required under subsection (a), the commission shall:  
2 (1) compute the total amount of scholarships awarded at each  
3 institution under this chapter; and  
4 (2) certify to the auditor of state the amount of the current  
5 payment to be made to each institution under the program.  
6 (d) The auditor of state shall pay to each institution, from  
7 money transferred to the state general fund under  
8 IC 4-30-17-3.5(c), the amount certified for that institution under  
9 subsection (c).

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